



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2017

## Fiscal Analysis Memorandum

**CONFIDENTIAL**

**Requestor:** Representatives Brawley and Saine  
**Analyst(s):** Mary Greeson, Amanda Hayden  
**RE:** PCS H1029-PCS10479-Suf-39

### SUMMARY TABLE

#### FISCAL IMPACT OF PCS PCS H1029-PCS10479-Suf-39, V.1 (\$ in millions)

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
<b>State Impact</b>					
Highway Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	-	-	-	-	-
<b>Highway Fund Impact</b>	-	-	-	-	-

#### NET STATE IMPACT

Partial estimate available. See the Fiscal Analysis section.

### FISCAL IMPACT SUMMARY

**Section 7** of the bill allows passenger-only ferries to sell beer and wine.

**Section 8** of the bill removes the requirement that the Division of Motor Vehicles (DMV) provide rules and regulations related to motor vehicle dealers by mail.

**Section 11** amends G.S. 20-79.4(b), 20-79.7, and 20-81.12 to require DMV to issue a special plate for the Order of the Eastern Star Prince Hall Affiliated. The fee for this special plate is \$20, \$10 of which goes to the Special Registration Plate Account (SRPA) and the other \$10 of which goes to the Collegiate and Cultural Attraction Plate Account (CCAPA). The bill directs DMV to transfer quarterly money in the CCAPA derived from the sale of this special plate to the Grand Chapter Order of the Eastern Star, PHA. This section of the bill becomes effective February 1, 2019.

**Section 12** reenacts G.S. 20-63(b1)(47), 20-79.4(b)(6), and 20-79.7(a1) and (b) to recreate the Alpha Phi Alpha Fraternity special registration plate. The bill authorizes a \$30 fee, \$10 of which goes to the SRPA and \$20 of which goes to the CCAPA. DMV must transfer quarterly the money in the CCAPA derived from the sale of this special plate to the Education Consortium of North Carolina, Inc. This section of the bill becomes effective February 1, 2019.



**Section 13** amends G.S. 20-79.7 to increase the fee for the Wildlife Resources special registration plate from \$20 to \$30.

**Section 14** amends G.S. 20-79.4(b)(104) and 20-79.7 to increase the fee for the International Association of Fire Fighters special registration plate from \$10 to \$20, \$10 of which must go to the SRPA and \$10 of which must go to the CCAPA. The bill directs DMV to transfer quarterly the money in the CCAPA derived from the sale of this special plate to the Professional Firefighters of North Carolina Charitable Fund.

**Section 17** - Unless otherwise noted, the bill becomes effective July 1, 2018.

## **FISCAL ANALYSIS**

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**Section 7** amends G.S. 18B-108 to authorize the sale of beer and wine on passenger-only ferries. Revenues will be credited to a reserve account within the Highway Fund to be used exclusively for passenger vessel replacement projects. A fiscal estimate is not available.

**Section 8** amends G.S. 20-232 to eliminate the requirement that DMV mail dealer manuals. It is not known how much DMV will save but the amount will be nominal.

**Section 11** requires the creation of a new special registration plate. DMV has received the required 300 applications for the Order of the Eastern Star Prince Hall Affiliated special plate. Correction Enterprises incurs a one-time cost of \$100 to create a new special registration plate template. The cost for an aluminum plate with graphic sheeting featuring the First in Flight background is \$4.25 per plate. The production cost to issue the 300 Order of the Eastern Star Price Hall Affiliated special plates is \$1,375 (300 plates x \$4.25, plus \$100 start-up cost). Additional costs for mailing/issuance and annual registration (renewal stickers) are negligible.

SRPA collections total at least \$3,000 (300 plates x \$10). Deducting production/issuance costs, \$1,625 in excess receipts is distributed according to statutory allocations. Per G.S. 20-79.7, the costs of special registration plate production and issuance are deducted from the SRPA. Receipts in excess of the costs of production and issuance are then allocated by G.S. 20-79.7 for: a) visitor center operating grants; b) highway beautification by the Department of Transportation; and c) the Roadside Vegetation Management Program.

Receipts in excess of \$10 are credited to the CCAPA and transferred by DMV to the Grand Chapter Order of the Eastern Star, PHA on a quarterly basis.

**Section 12** requires the creation of a new special registration plate. DMV has received the required 500 applications for the Alpha Phi Alpha Fraternity special plate. Correction Enterprises incurs a one-time cost of \$100 to create a new special registration plate template. The cost for an aluminum plate with graphic sheeting featuring full background color is \$4.68 per plate. The production cost to issue the 500 Alpha Phi Alpha Fraternity special plates is \$2,440 (500 plates x \$4.68, plus \$100 start-up cost). Additional costs for mailing/issuance and annual registration (renewal stickers) are negligible.



SRPA collections total at least \$5,000 (500 plates x \$10). Deducting production/issuance costs, \$2,560 in excess receipts is distributed according to statutory allocations. Per G.S. 20-79.7, the costs of special registration plate production and issuance are deducted from the SRPA. Receipts in excess of the costs of production and issuance are then allocated by G.S. 20-79.7 for: a) visitor center operating grants; b) highway beautification by the Department of Transportation; and c) the Roadside Vegetation Management Program.

Receipts in excess of \$10 are credited to the CCAPA and transferred by DMV to the Education Consortium of North Carolina, Inc. on a quarterly basis.

**Section 13** amends G.S. 20-79.7 to increase the fee for the Wildlife Resources special registration plate from \$20 to \$30. As of June 30, 2017, 1,730 Wildlife Resources special plates have been issued. The fee increase will generate an estimated \$17,300 in additional revenue, credited to the CCAPA. DMV transfers on a quarterly basis revenues generated by the sale of this special plate to the Wildlife Conservation Account established by G.S. 143-247.2.

**Section 14** amends G.S. 20-79.4(b)(104) and 20-79.7 to increase the fee for the International Association of Fire Fighters special registration plate from \$10 to \$20, \$10 of which must go to the SRPA and \$10 of which must go to the CCAPA. As of June 30, 2017, 1,118 International Association of Fire Fighters special plates have been issued. The fee increase will generate an estimated \$11,180 in additional revenue, credited to the CCAPA. The bill directs DMV to transfer quarterly the money in the CCAPA derived from the sale of this special plate to the Professional Firefighters of North Carolina Charitable Fund.

## **TECHNICAL CONSIDERATIONS**

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N/A.

## **DATA SOURCES**

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DMV

## **FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS**

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This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at [FiscalNoteRequests@ncleg.net](mailto:FiscalNoteRequests@ncleg.net) or call (919) 733-4910.

